

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MARTIN)	CASE NO. 90-402-R
GAS, INC.)	

O R D E R

On September 30, 1991 in Case No. 90-402, the Commission approved certain adjusted rates for Martin Gas, Inc. ("Martin") and provided for their further adjustment when the wholesale cost of gas changes or a refund is received.

On July 29, 1996, Martin filed for approval to pass its increased wholesale gas cost from Columbia Gas of Kentucky, Inc. ("Columbia"), to its customers effective June 1, 1996.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Martin's notice proposed revised rates designed to pass to its customers Columbia's Intrastate Utility Service ("IUS") rate effective June 1, 1996.
2. The Commission approved Columbia's IUS rate of \$3.5366 per Mcf effective June 1, 1996. However, on August 6, 1996, Columbia filed proposed rates to be effective September 1, 1996, which have been subsequently approved by the Commission.¹ Because the June 1, 1996 rate was an increase, Martin would not be able to pass along

¹ Case No. 94-179-G, The Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated August 16, 1996.

its own increase in rates proposed in this filing until August 28, 1996 due to the 30-day notice requirement in KRS 278.180. By operation of law, the September 1, 1996 IUS rate of \$4.6931 per Mcf would then supersede the rate for June 1, 1996. The rates for Martin should, therefore, be recalculated to reflect the \$4.6931 per Mcf IUS rate and placed into effect September 1, 1996.

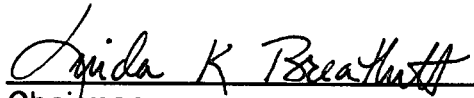
3. The rate adjustment in the Appendix, attached hereto and incorporated herein, is fair, just, and reasonable, in the public interest, and should be approved effective on and after September 1, 1996.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Martin are hereby denied.
2. The rates in the Appendix are fair, just, and reasonable and are approved effective for gas supplied on and after September 1, 1996.
3. Within 30 days of the date of this Order, Martin shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of August, 1996.

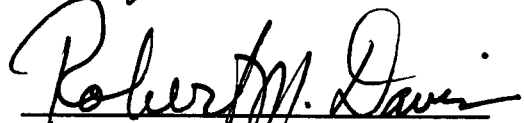
PUBLIC SERVICE COMMISSION


Chairman

ATTEST:


Vice Chairman


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-402-R DATED AUGUST 28, 1996

The following rates and charges are prescribed for the customers in the area served by Martin Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.1002 Per Mcf
Over 1 Mcf	7.9834 Per Mcf

Minimum Bill

The minimum bill shall be	\$8.1002
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The base rate for the future application of the purchased gas adjustment clause of Martin Gas, Inc. shall be:

Commodity

Columbia Gas of Kentucky, Inc.	\$4.6931 Per Mcf
Southeastern Gas Company	0.140 Per Mcf